

ADDENDUM NO. 1
Request For Proposal – 05RFP45192C
Employee Health Care and Benefits Plan
Fulton County, Georgia

June 22, 2005

Dear Vendors:

This addendum is in reference to the Request For Proposal, 05RFP45192C
Employee Health Care and Benefits Plan

- 1. Please provide the information listed for Appendix C and Appendix B regarding detailed plan design and enrollment information.**
Contact Malcolm Tyson via e-mail at malcolm.tyson@co.fulton.ga.us to obtain a copy of Appendix B and C.
- 2. Please confirm that the vision plan will be offered to all retirees.**
Confirmed, the vision plan will continue to be offered to all retirees.
- 3. If the employment report is not available, will the vendor be disqualified from participating to bid?**
Yes, as stated on page 6-2 of the RFP, "Failure to provide this information shall result in the proposal being deemed non-responsive."
- 4. Confirm that the vision plan will be stand alone and 100% employee paid.**
The vision plan is stand alone, but the County pays 63% of the cost.
- 5. Please provide a census report with zip code information for members eligible.**
Contact Malcolm Tyson via e-mail at malcolm.tyson@co.fulton.ga.us to obtain a copy of Appendix B and C. Please note, there are separate files for the active and retiree census.
- 6. Please provide a dental census for both actives and retirees which would contain zip code and dental tier chosen (EE, EE+1, Family)**
See response to question 5.
- 7. What is the Employer's contribution percentage to the Employee's and dependents dental premium for both actives and retirees?**
2005 rates for all plans are located in response to question 10.

8. Please provide the current dental ASO fee and suggested funding rates for the dental plans.

Current administration fees and funding rates for all plans are provided in response to question 10.

9. Have there been any dental plan changes in the experience provided?

No

10. Please provide current Administration Fee structure and contribution strategy for your benefit programs (all plans).

2005 Administration Fees

Vendor and Plan	Per Employee Per Month Administration Fee
BCBS Medical Admin (for PPO and HMO)	\$29.89
GIA Dental	\$3.76
GIA Vision	\$1.16
PharmaCare Prescription Drug	Administration and dispensing fees are charged based on monthly utilization
Horizon Mental Health Substance Abuse	\$2.55
Horizon EAP	\$1.54

2005 Funding Rates and Employee Contributions

	Total Accrual	Employee Contribution
Medical Plans		
Active HMO		
• Employee	\$315.03	\$47.25
• Employee + 1	\$602.21	\$90.32
• Family	\$785.08	\$117.75
Active PPO		
• Employee	\$548.88	\$120.75
• Employee + 1	\$1,013.07	\$222.88
• Family	\$1,374.62	\$302.42
Retiree HMO<65		
• Employee	\$315.03	\$31.50
• Employee + 1	\$602.21	\$60.22
• Family	\$785.08	\$78.51
Retiree HMO>65		
• Employee	\$364.26	\$32.78
• Employee + 1	\$688.08	\$61.93
• Family	\$688.08	\$61.93

Retiree PPO		
• Employee	\$548.88	\$109.78
• Employee + 1	\$1,013.07	\$202.61
• Family	\$1,374.62	\$274.92
Retiree PPO Plus		
• Employee	\$1,142.39	\$114.25
• Employee + 1	\$1,991.66	\$199.16
• Family	\$2,863.76	\$286.37
Retiree Medicare (Over 65)		
• Employee	\$234.82	\$46.96
• Employee + 1	\$601.57	\$120.31
• Family	\$601.57	\$120.31
Active Dental		
• Employee	\$29.30	\$7.33
• Employee + 1	\$59.91	\$14.98
• Family	\$78.51	\$19.63
Retiree Dental		
• Employee	\$29.30	\$29.30
• Employee + 1	\$66.49	\$66.49
• Family	\$66.49	\$66.49
Active and Retiree Vision¹		
• Employee	\$12.86	\$4.72
• Employee + 1	\$12.86	\$4.72
• Family	\$12.86	\$4.72

11. Please provide medical large claim detail which corresponds to the experience period of the paid claims provided to include diagnosis and prognosis and the plan in which the claimant is enrolled.

The large claims file is attached to this addendum.

12. The SPD suggests that the current Dental plan is an Indemnity/Traditional plan. Please confirm if the plan is Traditional or a Passive DPPO? If Passive DPPO, what network is being utilized?

The Dental has a silent PPO network utilizing Blue Cross Blue Shield's network. The dental network is an open network. Employees are able to visit the dentist of their choice or they can choose to use the "silent" network. The Silent network offers significant discounts as it is designed to minimize the out of pocket cost to the employee

¹ Vision rates do not differentiate based on family size.

13. What is the current reasonable and customary level for the dental plan?

Varies by procedure, but average around the 80th percentile.

14. In comparing the enrollment detail from the two census files and the latest month (3/05) shown on the dental claims experience exhibit, there appears to be a discrepancy. The census show approximately 7,230 total dental enrollees, while the experience shows 7,566. This appears odd given the fact that dental enrollment seems to increase monthly based on the claims experience.

The difference is less than 5%, we are currently working on resolving the enrollment discrepancies.

15. Please indicate if the current dental plan is a Passive PPO? If so, what network is Fulton County using?

Yes, it is a passive PPO. Fulton County is utilizing Blue Cross Blue Shield's network. The dental network is an open network. Employees are able to visit the dentist of their choice or they can choose to use the "silent" network. The Silent network offers significant discounts as it is designed to minimize the out of pocket cost to the employee

16. Please provide the current dental administrative service fees and indicate the services included with these fees.

Please refer to the response for question 10. The fees are for the administration of claims and access to the Blue Cross Blue Shield network.

17. Please provide the utilization of the EAP over the last 3 years including the total number of face to face sessions and total utilization including phone inquiries. Also, please provide total "open cases", closed cases, average length of session, and common presenting problems.

This information is not available.

18. Please provide the current fees for both EAP charged by the current vendor and how long these have been effective.

There is only one EAP. The administration charge is provided as the response to question 10. The administration fee has not changed since January 1, 2003.

19. Please indicate what the total number of on site support services received in each of the last three years, including critical incident and training.

This information is not available.

20. Please indicate what are the training requirements per year.

Will be dependent on facts and circumstances of the year.

21. Please indicate what are your communication requirements for EAP distribution (frequency and manner)?

Please provide your standard communication package.

- 22. Please describe the current work/life services arrangement. Please identify the current carrier, the current fee, and the services provided for that fee.**

This information is not available.

- 23. Please indicate if there are any retirees included in the RFP populations.**

As indicated in the RFP document, SPDs, plan experience, and census, retirees are included in all plans.

- 24. Please explain any issues or needs that have not been met by the current carrier?**

This information is not available. All vendors are asked to provide the best response to the RFP.

- 25. Please indicate if there is a certain percentage that Fulton County would anticipate being dedicated to DBE?**

No

- 26. Please identify the percent of current vendor contracts that are sourced to DBE vendors that are specifically dedicated to Fulton County.**

Answer: This question is not germane to the RFP. Please understand that, DBE's are not mentioned in the RFP document.

- 27. Please describe in as much detail as possible Fulton County's Healthcare strategy.**

Benefits are an important part of the components employees receive from Fulton County. We recognize the importance of a competitive benefits package to attract and retain qualified employees. Therefore, Fulton County offers a complete package of benefits, which is flexible enough to help meet the needs of our employees regardless of their family situation or stage of life, yet affordable for both the employee and Fulton County.

- 28. Please provide the current medical administrative service fees and indicate the services included with these fees.**

Please see the response to question 10. The administration fees are for the plan administration and access to plan networks.

- 29. Please provide utilization data for the current pharmacy plan which includes the brand/generic, and retail/mail split.**

This information is not available.

- 30. Please provide the current pharmacy administrative service fees and indicate the services included with these fees.**

Administration and dispensing fees for pharmacy are based on monthly utilization. Rebates are passed back to the County. The fees are for the

administration of the pharmacy plan.

- 31. Please confirm that Fulton County will accept a proposal for dental coverage, excluding any other health benefits. With regard to 2.11, please advise if this will apply to each line of coverage or does this mean that all proposers must bid on at least 51% of the coverages in the RFP?**

Confirmed, bidders may propose solely on the dental coverage. Section 2.11 refers to prime contractors versus subcontractors. In order to be considered a prime contractor you must perform at least 51% of the work that you are proposing on. Stand alone quotes for each line of coverage will be considered.

- 32. On page 9-6, regarding dental, there is the statement that the SPD included in Appendix C does not reflect increases and introductions of co-payments from the 2005 plan year. Will you provide an SPD that communicates these changes? Please identify the specific changes made in 2005 as it could impact the rating. Does the current SPD spell out these changes?**

The changes that were made in 2005 affected the medical and prescription drug plans only. These changes that were made to the medical and prescription drug plans are shown on the plan summaries 9-3, 9-4, 9-5, and 9-6. The SPDs provided have not been updated for the changes to the medical and prescription drug plans, but are the most up to date.

- 33. What is the current ASC fee and what is included in that fee with regard to the dental coverage?**

Please see the response to question 10.

- 34. Is there currently any commission in the fees?**

No. As stated in the financial exhibits, quotes should be net of commission.

- 35. What are the current suggested funding rates for dental coverage?**

Please see the response to question 10.

- 36. At the conference, it was stated that there was currently a network with the existing dental program. Please advise what percentile the out of network benefits are paid, how many dentists are available in metro Atlanta, and the average in-network savings. Are employees provided with literature to effectively use the network?**

The network is Blue Cross Blue Shield. Other information about the network is not available. Employees are provided with information about the network.

The dental network is an open network. Employees are able to visit the dentist of their choice or they can choose to use the "silent" network. The Silent network offers significant discounts as it is designed to minimize the out of pocket cost to the employee

37. Large Claim Report: Please provide an updated large claims report through March 2005. Please include prognosis and diagnosis.

See response to question 11.

38. Active/Retiree Census Data: Please provide an Excel census for active employees that breaks down the following demographic information. Age, sex, zip code, level of coverage, and plan selection.

See response to question 5.

39. Questionnaire: Please provide questionnaires associated with the RFP in word format.

Contact Malcolm Tyson via e-mail at malcolm.tyson@co.fulton.ga.us to request a word version.

40. Contribution Strategy: Can you please provide a breakdown of the monthly employee/employer cost share based on current premium?

Please see response to question 10.

41. Risk Share Corridor: Please describe the current risk share arrangement? Is the current carrier placing administrative fees at risk versus the claims target? Can you please describe the performance of the risk corridor over the last three years?

Page 9-10 and 9-11 provides a general description of how the arrangement works. The current carrier is placing dollars over the claims target at risk. Performance information is not available.

42. The financial exhibit for vision coverage was mistakenly left off of the RFP. Please include the following exhibit with your proposal.

EXHIBIT B8 – VISION FEE QUOTATION FORM

ALL QUOTES SHOULD BE COMPLETED AND RETURNED IN A CONFIDENTIAL AND SEALED ENVELOPE.

Scenarios assume the following:

- Current plan design
- Effective date of January 1, 2006
- No commissions

Self-Insured (PEPM)

Vision	1/1/2006 – 12/31/2006	1/1/2007 – 12/31/2007	1/1/2008 – 12/31/2008
Rate Guarantee Period			
Claims Administration			

Other Fees (explain)			
Expected Vision Claims (First Year – Actual)			
Expected Vision Claims (Mature Year – Illustrative)			

43. The complete Paid Claims file is not provided in the “hard copy” specifications.

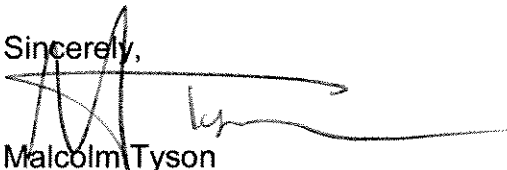
Contact Malcolm Tyson via e-mail at malcolm.tyson@co.fulton.ga.us to obtain the complete file.

For additional information regarding this addendum contact Malcolm Tyson, Assistant Purchasing Agent at (404) 730-5811.

The undersigned proposer acknowledges receipt of this addendum by returning (1) copy with their bid. Failure to return a signed copy of this addendum with your bid could render your bid to be non-responsive.

Except as provided herein, all terms and conditions in the bid referenced above remain unchanged and in full force and effect.

Sincerely,


Malcolm Tyson
Assistant Purchasing Agent

ACKNOWLEDGEMENT OF ADDENDUM

COMPANY NAME: _____ Signature: _____

NAME: _____ TITLE: _____ DATE: _____

Fulton County - 1001398

Benefit Period: 01/01/2005-3/31/2005

Benefits >=\$50,000

	Relation	Benefit Amount	Diagnosis
1	PRIMARY	245351.58	RESPIRATORY FAILURE
2	DEPENDENT	156883.23	RENAL FAILURE, UNSPECIFIED
3	SPOUSE	133241.22	ACUTE VASCULAR INSUFFICIENCY OF INTESTINE
4	SPOUSE	125145.06	VON WILLEBRAND'S DISEASE
5	PRIMARY	106609.55	CHRONIC ISCHEMIC HEART DISEASE, UNSPECIFIED
6	SPOUSE	104640.14	RESPIRATORY FAILURE
7	PRIMARY	96117.32	RESPIRATORY FAILURE
8	SPOUSE	94578.58	RESPIRATORY FAILURE
9	PRIMARY	91940.44	CARE INVOLVING OTHER SPECIFIED REHABILITATION PROCEDURE
10	DEPENDENT	77002.55	ABNORMALITY IN FETAL HEART RATE/RHYTHM, DELIVERED, WITH OR WITHOUT MENTION OF ANTEPARTUM CONDITION
11	PRIMARY	64275.38	ACUTE MYELOID LEUKEMIA (WITHOUT MENTION OF REMISSION)
12	PRIMARY	63002.57	LUMBOSACRAL SPONDYLOSIS WITHOUT MYELOPATHY
13	PRIMARY	57896.88	SUBARACHNOID HEMORRHAGE
14	PRIMARY	53286.57	CONGESTIVE HEART FAILURE UNSPECIFIED
Members	14	\$ 1,469,971.07	

Fulton County - 1001398
Benefit Period: 01/01/2004-12/31/2004

Claims in excess of \$200k for 2004
\$1,648,735.34

Benefits >=\$50,000

	Relation	Benefit Amount	Diagnosis
1	PRIMARY	\$ 636,908.90	ACUTE MYELOID LEUKEMIA (WITHOUT MENTION OF REMISSION)
2	SPOUSE	\$ 606,588.70	ACUTE AND CHRONIC RESPIRATORY FAILURE
3	DEPENDENT	\$ 507,406.56	NECROTIZING ENTEROCOLITIS IN FETUS OR NEWBORN
4	PRIMARY	\$ 466,761.54	PLASMA CELL LEUKEMIA (WITHOUT MENTION OF REMISSION)
5	DEPENDENT	\$ 327,728.56	CHRONIC RENAL FAILURE
6	PRIMARY	\$ 303,341.08	COMPLICATIONS OF TRANSPLANTED LUNG
7	PRIMARY	\$ 195,212.01	GASTROINTESTINAL COMPLICATIONS, NOT ELSEWHERE CLASSIFIED
8	PRIMARY	\$ 178,318.86	SUBARACHNOID HEMORRHAGE
9	PRIMARY	\$ 175,002.16	CHRONIC RENAL FAILURE
10	SPOUSE	\$ 158,909.37	MALIGNANT NEOPLASM OF CONNECTIVE AND OTHER SOFT TISSUE, SITE UNSPECIFIED
11	PRIMARY	\$ 151,757.42	CHRONIC RENAL FAILURE
12	SPOUSE	\$ 149,819.31	CHRONIC PANCREATITIS
13	PRIMARY	\$ 142,802.15	THREATENED PREMATURE LABOR, ANTEPARTUM
14	PRIMARY	\$ 142,146.73	DIABETES WITH NEUROLOGI- CAL MANIFESTATIONS, TYPE II OR UNSPECIFIED, NOT STATED AS UNCONTROLLED
15	PRIMARY	\$ 129,874.27	CONGENITAL FACTOR IX DISORDER
16	PRIMARY	\$ 126,505.75	NODULAR LYMPHOMA, UNSPECIFIED SITE, EXTRANODAL AND SOLID ORGAN SITES
17	DEPENDENT	\$ 119,861.44	CONGENITAL HEREDITARY MUSCULAR DYSTROPHY
18	PRIMARY	\$ 113,501.72	SICKLE CELL THALASSEMIA WITH CRISIS,SICKLE CELL THAL W VASO-OCCLUSIVE PAIN,THALASSEMIA HB-S WITH CRISIS
19	PRIMARY	\$ 112,713.74	CEREBELLAR OR BRAIN STEM CONTUSION WITHOUT MENTION OF OPEN INTRACRANIAL WOUND, WITH LOSS OF CONSCIOUSNESS O
20	PRIMARY	\$ 105,903.77	MALIGNANT NEOPLASM OF FRONTAL LOBE
21	PRIMARY	\$ 104,159.47	MALIGNANT NEOPLASM OF COLON, UNSPECIFIED
22	DEPENDENT	\$ 103,351.12	CONGENITAL OBSTRUCTION OF URETEROPELVIC JUNCTION
23	PRIMARY	\$ 100,340.64	CORONARY ATHEROSCLEROSIS OF NATIVE CORONARY VESSEL
24	PRIMARY	\$ 96,829.87	CONGESTIVE HEART FAILURE UNSPECIFIED
25	PRIMARY	\$ 94,526.46	CORONARY ATHEROSCLEROSIS OF NATIVE CORONARY VESSEL
26	PRIMARY	\$ 91,891.96	CHRONIC RENAL FAILURE
27	SPOUSE	\$ 88,007.95	MALIGNANT NEOPLASM OF COLON, UNSPECIFIED
28	DEPENDENT	\$ 87,872.01	DISORDERS RELATING TO OTHER PRETERM INFANTS, 1000-1249 GRAMS
29	PRIMARY	\$ 87,737.25	MALIGNANT NEOPLASM OF KIDNEY, EXCEPT PELVIS
30	PRIMARY	\$ 87,311.66	MALIGNANT NEOPLASM OF OVARY
31	DEPENDENT	\$ 86,738.66	ACUTE LYMPHOID LEUKEMIA (WITHOUT MENTION OF REMISSION)
32	PRIMARY	\$ 85,096.67	CHRONIC RENAL FAILURE
33	DEPENDENT	\$ 83,841.50	RETROLENTAL FIBROPLASIA
34	PRIMARY	\$ 82,672.96	MALIGNANT NEOPLASM OF BREAST (FEMALE), UNSPECIFIED
35	PRIMARY	\$ 82,228.30	MALIGNANT NEOPLASM OF ASCENDING COLON
36	PRIMARY	\$ 81,486.12	CHRONIC RENAL FAILURE
37	PRIMARY	\$ 81,097.81	RESPIRATORY FAILURE
38	PRIMARY	\$ 79,559.22	FETAL DISTRESS, AFFECTING MANAGEMENT OF MOTHER, DELIVERED
39	SPOUSE	\$ 79,383.48	MALIGNANT NEOPLASM OF BRAIN, UNSPECIFIED
40	PRIMARY	\$ 78,314.77	MALIGNANT NEOPLASM OF BREAST (FEMALE), UNSPECIFIED
41	PRIMARY	\$ 76,029.38	CEREBRAL ARTERY THROMBOSIS WITH CEREBRAL ARTERY INFARCTION
42	DEPENDENT	\$ 75,033.38	CONCUSSION WITH LOSS OF CONSCIOUSNESS OF UNSPECIFIED DURATION
43	DEPENDENT	\$ 74,700.62	CONGENITAL ATRESIA AND STENOSIS OF LARGE INTESTINE, RECTUM, AND ANAL CANAL
44	PRIMARY	\$ 74,340.08	CHRONIC RENAL FAILURE
45	DEPENDENT	\$ 72,934.93	SCOLIOSIS (AND KYPHOSCOLIOSIS), IDIOPATHIC
46	PRIMARY	\$ 71,225.26	BUDD-CHIARI SYNDROME

Fulton County - 1001398

Benefit Period: 01/01/2004-12/31/2004

Claims in excess of \$200k for 2004
\$1,648,735.34

Benefits >=\$50,000

	Relation	Benefit Amount	Diagnosis
47	SPOUSE	\$ 71,091.92	SICKLE-CELL DISEASE UNSPECIFIED
48	PRIMARY	\$ 70,832.93	CONGESTIVE HEART FAILURE UNSPECIFIED
49	PRIMARY	\$ 70,611.55	MALIGNANT NEOPLASM OF HEAD, FACE, AND NECK
50	PRIMARY	\$ 70,611.55	PULMONARY CONGESTION AND HYPOSTASIS
51	PRIMARY	\$ 69,668.24	RENAL FAILURE, UNSPECIFIED
52	PRIMARY	\$ 69,063.50	MULTIPLE MYELOMA (WITHOUT MENTION OF REMISSION)
53	PRIMARY	\$ 68,846.54	PAROXYSMAL VENTRICULAR TACHYCARDIA
54	SPOUSE	\$ 68,031.85	HEMATOMA COMPLICATING A PROCEDURE
55	PRIMARY	\$ 67,580.27	MALIGNANT NEOPLASM OF MIDDLE LOBE, BRONCHUS OR LUNG
56	PRIMARY	\$ 65,684.48	CORONARY ATHEROSCLEROSIS OF NATIVE CORONARY VESSEL
57	SPOUSE	\$ 64,737.25	MALIGNANT NEOPLASM OF OVARY
58	PRIMARY	\$ 63,937.40	CHRONIC RENAL FAILURE
59	PRIMARY	\$ 63,433.04	MALIGNANT NEOPLASM OF BREAST (FEMALE), UNSPECIFIED
60	PRIMARY	\$ 60,469.97	NEOPLASM OF UNCERTAIN BEHAVIOR OF STOMACH, INTESTINES, AND RECTUM
61	SPOUSE	\$ 60,220.53	MALIGNANT NEOPLASM OF BREAST (FEMALE), UNSPECIFIED
62	SPOUSE	\$ 59,061.50	OTHER MALIGNANT LYMPHOMAS, UNSPECIFIED SITE, EXTRANODAL AND SOLID ORGAN SITES
63	PRIMARY	\$ 58,945.04	CHRONIC RENAL FAILURE
64	SPOUSE	\$ 58,549.89	MALIGNANT NEOPLASM OF BRONCHUS AND LUNG, UNSPECIFIED
65	PRIMARY	\$ 58,300.41	MALIGNANT NEOPLASM OF PROSTATE
66	PRIMARY	\$ 57,629.12	SUBARACHNOID HEMORRHAGE
67	SPOUSE	\$ 57,013.64	CHRONIC RENAL FAILURE
68	PRIMARY	\$ 56,790.08	LUMBOSACRAL SPONDYLOSIS WITHOUT MYELOPATHY
69	PRIMARY	\$ 56,745.19	MALIGNANT NEOPLASM OF LIVER, SPECIFIED AS SECONDARY
70	PRIMARY	\$ 56,745.19	SYMPTOMATIC MENOPAUSAL OR FEMALE CLIMATERIC STATES
71	PRIMARY	\$ 56,100.13	CHRONIC RENAL FAILURE
72	PRIMARY	\$ 55,597.75	CHRONIC RENAL FAILURE
73	PRIMARY	\$ 55,597.75	ATRIAL FIBRILLATION
74	PRIMARY	\$ 55,597.75	OTHER AND UNSPECIFIED INJURY TO ELBOW, FOREARM, AND WRIST
75	SPOUSE	\$ 53,932.78	VON WILLEBRAND'S DISEASE
76	PRIMARY	\$ 50,405.31	CORONARY ATHEROSCLEROSIS OF NATIVE CORONARY VESSEL
77	PRIMARY	\$ 50,040.38	HEPATORENAL SYNDROME
Members:	77	\$ 8,959,648.50	